

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON D.C.

RECEIVED
MAY 14 1996
FCC MAIL ROOM

In the Matter Of)
Implementation of the Local Competition)
Provisions in the Telecommunications)
Act of 1996)

CC Docket No. 96-98

DOCKET FILE COPY ORIGINAL

COMMENTS OF SCHERERS COMMUNICATIONS GROUP, INC.

1. Introduction

Scherers Communications Group, Inc. (SCG), hereby comments on the Notice of Proposed Rulemaking (NPRM) in the above referenced proceeding.¹ In the NPRM, the Commission seeks comments on the implementation of provisions dictated by the Telecommunications Act of 1996 (Act). The Commission's request for comments a wide range of subjects including interconnection requirements, resale of Local Exchange Carrier (LEC) provided services, and State regulations.

SCG is an interexchange carrier providing service in several States through the resale of interexchange services provided by underlying carriers. Scherers Communications Group, Inc., has also applied with the Public Utilities Commission of Ohio for authority to provide local exchange services within the State of Ohio. With this experience and pending application, SCG qualifies as an interested party in this matter.

¹ Notice of Proposed Rulemaking, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket 96-98, FCC 96-182 (April 19, 1996)

No. of Copies rec'd
List ABCDE

0216

2. Discussion

In filing for applications to provide interexchange services within various States, SCG has encountered a vast array of regulatory requirements. The simplest involved a simple letter of intent, while the most complex and time-consuming required not only an application and tariff filing, but also a public hearing with an attorney present. The cost of providing the service is dependent upon the process for initiating service in the individual. Therefore, the wide difference in application processes throughout the States causes two roadblocks to competition. First of all, only those companies with deep pockets are financially able to enter individual markets. Different processes mean additional expense to develop different application packages for each State. In addition, hearings and other superfluous requirements increase the necessity for legal representation, another costly expense. Second, the possible expense involved would discourage many carriers from attempting to enter markets. Thus, the subscribers in various markets would be obstructed from potential competitive providers and their services.

For some of the same reasons, interconnection arrangements should also be made consistent across the States. To design a network that would be compatible for even twenty different interconnections would be far too expensive and time consuming for most providers. In addition, no plans for a network could be made until all LECs were contacted to determine the necessary interconnection arrangements. Although technical limitations may affect some areas of the country, it is probable that most areas can provide interconnection arrangements consistent with Commission requirements. However, it would also be practical to allow a temporary exemption for those areas where the required interconnection arrangement is not technically

feasible. This exemption should not be permitted to extend longer than five years, a reasonable period of time to upgrade the noncompliant switches.

An additional area that would benefit from consistent requirements would be the unbundling of network elements. The Act specifies that LECs are obliged to “to provide interconnection at any technically feasible point of the same type and quality it provides to itself, on just, reasonable, and nondiscriminatory terms and conditions; to provide access to network elements on an unbundled basis,...”² Some LECs are already developing policies that would offer unbundled network elements on a limited basis, despite the “technically feasible” determination. The intervention of the Commission in this matter would impose requirements upon the LECs that would offer network elements in the most liberal options possible. Without the Commission intervention, States would be dependent upon feedback from their own constituents only in determining the fairness of options offered. Once again, a new provider would be required to design its network around the idiosyncrasies of many telephone companies prior to the first installation of that network.

SCG believes that new entrants should also be required to provide unbundled network elements after an initial exemption period. Initially, new entrants will not have the extensive networks available to the LECs. However, within five years of its initial availability date, each new entrant should be required to provide the same interconnection and unbundled services, wither through its own provisioning or the resale of services provided by other carriers. The full benefits of competition can only be enjoyed if a customer or carrier has access to services provided by several providers

² Telecommunications Act of 1996, Section 251 (c) (2), January 31, 1996

3. Conclusion

Although many areas must be addressed by the Commission to effect the smooth implementation of the provisions of the Act, none are more important than those decisions that would establish a consistency for new market entrants. It will be a roadblock to competition to allow the incumbent LECs to establish their own requirements for each State. The financial and managerial confusion caused by this action will impede and, in some cases, prevent the entry of smaller and more innovative providers who may offer niche types of services. The areas that require the most attention are State certification requirements, LEC interconnect arrangements and pricing, and unbundled network elements provided by the LECs. SCG believes that the Commission should gather information from all States currently involved in rulemaking to determine the most expedient method of implementing telecommunications competition in all States.

Respectfully submitted,



Susan Drombetta
Manager - Rates and Tariffs
Scherers Communications Group, Inc.
575 Scherers Court
Worthington OH 43085
(614) 841-2421

Dated: May 15, 1996